

Exhibit I

Local Search Part 3: Google Gets Local with AdWords



Members Area With Exclusive Content
Already a member? > Enter Here
Learn about the benefits: > Learn More

- Departments & Info
- Home
- Latest Stories From SEW
- SEW Blog
- News From SEW & Beyond
- SEW Forums
- Come Discuss Search!
- Search Engine Submission Tips
- Web Searching Tips
- Search Engine Listings
- Search Ratings & Stats
- Search Engine Resources
- SearchDay
- Our Daily Newsletter
- Search Engine Report
- Our Monthly Newsletter
- All Newsletters & Feeds
- XML RSS
- SEW Members Area
- Exclusive Content
- About The Site

Local Search Part 3: Google Gets Local With AdWords

By Danny Sullivan, Editor
October 28, 2003

Search Engine STRATEGIES CONFERENCE & EXPO

Search Engine Watch's conference on search engine marketing comes to:

- August 8 - 11, 2005 San Jose, CA
- October 19 - 20, 2005 Stockholm, Sweden
- December 5 - 8, 2005 Chicago, IL
- February 27 - March 2, 2006 New York, NY
- March 30 - 31, 2006 Munich, Germany
- April 25 - 26, 2006 Toronto, Canada
- April 2006 Tokyo, Japan
- August 2, 2006 London England

A longer version of this article speculating on future regional targeting refinements, issues with national ad competition, viewing regional or country-targeted ads from outside the regions and other topics is available to Search Engine Watch members. Click here to learn more about becoming a member

In my earlier parts of this series on local search, I covered Overture's new local paid listings and crawler-based methods from Google and Mobilemaps as attempts to improve local searching on general purpose search engines.

Today, I had planned to examine new local search moves by CitySearch, as well as the great content available from online yellow pages. However, I'll instead be stepping back into the world of Google, because of a new paid local product it launched on Friday.

I did a short write-up of the new product in last Friday's SearchDay. Now I've had a chance to talk with Google more about the program and have added some additional details, especially for those of you reading the version of this story for Search Engine Watch members.

I'll be moving forward with CitySearch and yellow pages next week, with the series now set to continue into a fourth part on November 6 and perhaps even a fifth part to follow the week after.

Google's New Regional Targeting

Google has long allowed ads to be targeted on a country-specific basis. For

Trellian
GUARANTEED Inclusion & Advanced Keyword Research

WebPosition
Optimize your site and drive qualified visitors.

Yahool!
Reach 80% of the web on Yahoo! and more

Mamma
Geo-target your search campaign with Mamma.com

Text Link Ads
Increase Traffic & Search Engine Rankings

Search Engine Optimization Tools and Services

Free Search Marketing Report Get Your Site More Visibility

WebSourced's
Search Engine Marketing Services Free Report

Need Targeted Search Traffic? Ask Genieknows.com

Find quality traffic and sales here!

>> Search

Members Area
 Free Area

> go

- Internet.commerce**
- Cheap Auto Insurance
 - PDA Reviews
 - Laptop Reviews
 - Search Web Hosting
 - Auto Insurance
 - Phone Systems
 - Data Recovery
 - Compare Prices
 - Cell Phone Plans
 - Information
 - Online Booking Hotels
 - Desktop Computers
 - Search Engine Ranking

MarketPlace II

YAHOO! SEARCH MARKETING

Drive targeted traffic to your web site

Google

Cash in on your content with Google AdSense

icrossing/

Search Engine Marketing and Technology

Search Engine Optimization Inc.

Search Engine Optimization

Search Engine Optimization

Extend your reach. Special: \$25 in free clicks.

S.E.O. Friendly Shopping Cart

Shopping Cart

Monetize your website with ePilot

Monetize your website with ePilot

MetricsDirect.

\$150 search advertising credit at MetricsDirect

articleinsider

Information for a world filled with questions

example, it's easy to make your ads only be seen by those in the United Kingdom, if you want to target the audience there.

Now Google has rolled out regional targeting to the local level within the United States. For instance, an advertiser could choose to have their ad for "dentists" appear only in front of those searching from within the San Francisco Bay Area (San Francisco-Oakland-San Jose). Outside this region, the ad would not be seen.

The change will be a real relief to some advertisers. Imagine the dentist based in Daly City, just south of San Francisco. They may wish to target those seeking dentists in surrounding areas. Before this system, the only choice was to ensure they keyword-targeted the names of nearby cities along with the word "dentists," such as:

- san francisco dentists
- oakland dentists
- daly city dentists
- pacifica dentists
- san bruno dentists

With the change, they can simply target the word "dentists" and restrict to the San Francisco region. Then they'll come up for any search involving the word "dentists" by someone in the San Francisco area (assuming they don't modify from the default broad match option).

Not Solution For Everyone

Regional targeting won't eliminate the need to do keyword-based local targeting for some advertisers. Google offers up the example of real estate agents who sell in one area but want to reach those in another.

"You can imagine in real estate an agent whose base is local but they also want to attract people from outside the area," said Salar Kamangar, director of product management at Google. "To reach those, they need to buy the regular geographic keywords as they did before."

In other words, picture someone selling homes in the San Francisco Bay Area. By using the new regional targeting feature, it's now easy to make their ads show up for anyone in the Bay Area searching for a phrase containing "new

Search Engine STRATEGIES '05 CONFERENCE & EXPO

Event Info

San Jose, CA Aug. 8 - 11, 2005

Email Updates

Featuring renowned search engine expert, Danny Sullivan & speakers from major search engines.

Search Engine STRATEGIES '05 CONFERENCE & EXPO

>> Search Engine Newsletters FREE!

Over 150,000 readers depend on our free newsletters to keep up with search engines. To join them, enter your email below:

> JOIN

Daily Monthly

Learn more about the newsletters

>> Jupiterresearch's

Online Search Industry Research

Get deep analysis and actionable advice from expert analysts

> More Information

>> Search Engine Research Reports

Search Engine Watch publisher Jupitermedia offers research reports and briefing papers on various topics about search engines.

> More Information

homes." However, a person in Dallas thinking of moving to the area would never see these ads, if they did a local search such as:

- san francisco new homes
- new homes in oakland
- prices of new homes in san bruno

Instead, the Bay Area real estate agent will still need to target all the regionally-specific terms, as well.

Jupiterimages

The Premier Destination for Creative Professionals

Featuring [Comstock.com](#), [Photos.com](#), [Clipart.com](#), [PhotoObjects.net](#), and [Animations.com](#).

Dealing With Targeting Inaccuracies

Google's system works by identifying the IP address of a user, a system it has long employed to allow advertisers to target ads to specific countries. The US targeting matches the 210 "designated market areas" that are used to define television markets.

IP matching usually works, but it is not perfect. I live in the United Kingdom, for example. Occasionally in the past, Google's IP detection has gone haywire and forced me to its Google Germany site because my ISP has assigned me an IP associated with a German physical address. And currently, Google shows me ads targeted to those in the US. I connect through AOL, so it thinks I'm in the US.

Google's solution is that if it can't identify a person's location, it will serve up "national" or non-regionally targeted ads instead. Unfortunately, among the group it currently can't identify are any of the millions of AOL subscribers, Google said.

There's also a chance that someone's location will be misidentified, Google admits. However, it says this is usually a case where they are shown ads for a nearby geographic area, rather than some place well removed from their location.

"In those cases, often we aren't mapping them to a region like opposite coasts but the next region over," Kamangar said.

Determining a person's geographical location is also an issue for where Google shows ads outside its own network of web sites. For instance, AOL and others have their own search engines that incorporate Google's paid listings. Only at some of these will regional targeting work. At others, it will be disabled because the Google partner doesn't pass along enough information to make regional targeting accurate, Google said.

AOL Search is an example of one of Google's syndication partners where regional targeting is not being used, but the company hopes this will change over time.

"We want all the syndication partners to work with this, and generally they are very excited to do it," Kamangar said.

How about local targeting outside the United States? At the moment, Google says that IP targeting isn't good enough for this, but it may come if the data quality improves.

Search By Location To Get Ads?

As previously written, Google has a map-based local search product, where results are gathered from crawling the web. Will the new regional ads be integrated into that product, which lists web sites for free? Not immediately because of low volume, Google says.

If the Google Search By Location product were to gain traffic or emerge from beta as a tabbed service, similar to the existing Web, Images, Groups, Directory and News search services, then the issue of bringing in ads would become more likely.

The challenge is that there's no way Google's new regional targeting will allow ads to

be placed on the map that Search By Location creates as a centerpiece, in the way that Overture's local search product allows. This is because Google's regionally targeted ads don't include physical "bricks & mortar" locations. However, the regionally targeted ads could run alongside the map.

"What we'd likely do is the same thing with a normal search results page," Kamangar said, alluding to how on a regular Google web search, paid listings appear above and to the side of results found from crawling the web.

In particular, Google might look at the city used in a local search's address box, such as "san francisco," and add that to the search term used, such as "dentist," to bring back ads that target all of those words. Ironically, this means it wouldn't use the new regional targeting but rather traditional keyword targeting.

Still In Beta

Google stressed that its regional targeting is still in beta. The program was already beta tested by about 10 advertisers over the past two months, but last Friday's release is still keeping the beta moniker because the final product is likely to change now that thousands of advertisers will be trying it for the first time.

"We expect things to change, and that's why we are calling it beta still," Kamangar said.

Coming Up Next

In my next part of this series on local search, I'll return as planned to a close-up look at the editorial and paid products offered by CitySearch. I'll also be recapping the excellent online yellow pages resources that are available. Many major search engines offer good, yellow page style listings already, but users may be unaware of these. I'll guide you to these options plus highlight how the search engines themselves are looking to make local search magically happen when it should, without the user doing anything special.

A longer version of this article speculating on future regional targeting refinements, issues with national ad competition, viewing regional or country-targeted ads from outside target regions and other topics is available to Search Engine Watch members. [Click here to learn more about becoming a member](#)

Search Headlines

NOTE: Article links often change. In case of a bad link, use the publication's search facility, which most have, and search for the headline.

[Search buy pushes ValueClick into profit...](#)

Netimperative Oct 28 2003 12:57PM GMT

[Yahoo! Buys BT Music Site...](#)

Forbes Oct 28 2003 12:34PM GMT

[How to Google Hack...](#)

WebTalkGuys Radio Oct 28 2003 11:24AM GMT

[Google Studies Creation of Book Database...](#)

New York Times Oct 28 2003 6:55AM GMT

[AOL's Happy Secret...](#)

New York Times Oct 28 2003 6:54AM GMT

Motor industry portal drops online catalogues...

Computer Weekly Oct 28 2003 2:07AM GMT

Google rhymes with bubble...

globetechnology.com Oct 28 2003 1:51AM GMT

Google Acquires Sprinks, Consolidates Contextual Ad Market...

Media Post Oct 27 2003 11:16PM GMT

Ask Jeeves shares fall after Barron's report...

Reuters Oct 27 2003 6:35PM GMT

Google: the challenges of the proposed IPO...

IT-Analysis.com Oct 27 2003 3:29PM GMT

With cable at MIT, who needs Napster?...

CNET Oct 27 2003 1:50PM GMT

Yahoo Holds Free Listing Day Promotion for 99-Cent Auctions...



Auctionbytes.com Oct 27 2003 12:43PM GMT

Top 10: 'Portal' sites...

Netimperative Oct 27 2003 12:33PM GMT

moreover
PUBLIC @ @ @

[SearchDay Archives](#)

-  [Email this article to a colleague](#)
-  [Go to a printable version of this story](#)

Search Engine Watch
www.searchenginewatch.com
 Danny Sullivan, Editor; Chris Sherman, Associate Editor

Having trouble? [Tell us about technical questions or bug reports.](#)
[Let us know about newsletter problems or issues.](#)

Jupitermedia is publisher of the ClickZ Network.

JupiterWeb networks:



Search JupiterWeb:

Jupitermedia Corporation has four divisions:
[JupiterWeb](#), [JupiterResearch](#), [JupiterEvents](#) and [JupiterImages](#)

Copyright 2005 Jupitermedia Corporation All Rights Reserved.
[Legal Notices](#), [Licensing](#), [Reprints](#), & [Permissions](#), [Privacy Policy](#).

[Jupitermedia Corporate Info](#) | [Newsletters](#) | [Tech Jobs](#) | [E-mail Offers](#)